

The CORPORATION JOURNAL

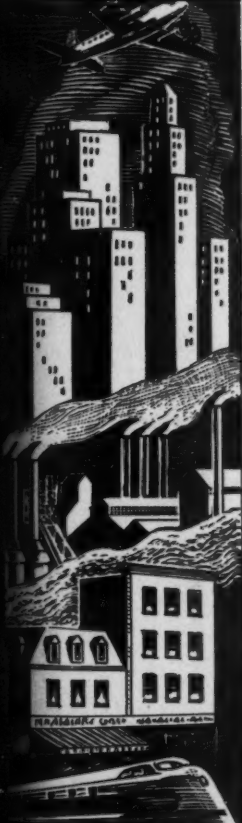
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attachment of shares of a Delaware company
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MARCH 1949

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TODAY'S "GOOD ENOUGH"

ARE you one of the company officers who say: "The number of stockholders is very limited. All of us are personally acquainted with each other. It's absurd to think we need a professional transfer agent. That business about observing rigid formalities in the keeping of stock books is all right for big companies, but not for us. Our records are good enough"?

Good enough for today, maybe. But what, if on some tomorrow, in the course of the changes constantly occurring in human affairs, some of the shares become scattered? What if the shares go to several heirs, one or two of them minors? What if the shares become part of a contested estate? Or are sought by an unsatisfied creditor? Will the transfers noted on your "good enough" records stand up in any controversy which might arise?

The safe way is to entrust the keeping of those records to The Corporation Trust Company as transfer agent. Any C T office will be glad to show you how little such protection costs.

TOMORROW'S TROUBLE



what constitutes doing business

Research Work

WHERE a company, which is organized for the specific purpose of carrying on research work for another company or for an industry, enters a foreign state and there carries on its research activities, there will perhaps be little question that it is present within the foreign state so as to be required to be qualified as a foreign corporation there. Such a corporation would come within the general rule governing the doing of business, which has been stated thus:

"It is established by well considered general authorities that a foreign corporation is doing, transacting, carrying on, or engaging in business within a state when it transacts some substantial part of its ordinary business therein." 20 Corpus Juris Secundum, Corporations, Sec. 1829, p. 46.

Normally, such research activities carried on within a foreign state are found to cover a substantial period of time, during which employees or agents are present continuously, furthering the business of the corporation. As a consequence, the suggestion that the company may be engaged in an "isolated transaction" or not present for some other technical reason, has little or no application to the situation of a company whose primary purpose is to do research work for others.

Where, however, the research work carried on in the foreign state is related to the company's ordinary busi-

ness, which is not the carrying on of research work, a different problem may be presented.

While there appear to be no decisions concerned with researching and the necessity of qualification, there is a New York decision involving the activities of a foreign loan company's employees in New York where the court said that research work involving matters affecting the defendant company, editing booklets and literature of the company and its subsidiaries, stockholders and employees and the training of employees, would not give the courts of the foreign state jurisdiction, and service of process made upon an alleged employee was ordered set aside. (*Brocia v. Franklin Plan Corporation*, 235 App. Div. 421, 257 N. Y. S. 167.) In another case involving service of process upon an unlicensed foreign corporation, the mere sending of an agent into a state to investigate whether it would be advisable to engage in business there, was not regarded as the doing of business. (*Jefroy Silks, Inc. v. Papeteries Navarre*, 68 F. 2d 707.)

The mere collection of data within the foreign state, which is analyzed in another state, has been held not to constitute "doing business" so as to require qualification. (*Surveyors, Inc. v. Berger Brothers Co.*, 9 Conn. Supp. 176; *Ford, Bacon & Davis, Inc. v. Terminal Warehouse Co.*, 207 Wis. 467, 240 N. W. 796; *Utility Economy Co., Inc. v. Luders Marine Const. Co.*, 15 Conn. Supp. 214.)



domestic corporations

NEW YORK

Common law right of stockholder to inspection of all corporate books and records viewed as independent of and in addition to statutory rights.

In an action in which an executor of a stockholder sought an order to compel the president and treasurer of the corporation to permit an inspection of its books, records and papers, it appeared that the petitioner did not allege that he was making the application as executor. The Supreme Court, Special Term, New York County, Part I, ruled that this failure to so allege was not fatal, inasmuch as it was clear that the application was made by the petitioner as executor as well as by reason of being sole legatee. Ruling in favor of the petitioner, the court observed: "The

common law right of a stockholder to the inspection of all the corporate books and records is independent of and in addition to the rights of the stockholder pursuant to Sec. 10 of the Stock Corporation Law in respect of the stock book."

Application of Schnepf,* 84 N. Y. S. 2d 416. John Windsor of Jackson Heights, for petitioner. McCombs & Ryan (Samuel-Lippman, of counsel), of New York City, for respondent.

* The full text of this opinion is printed in the **New York Corporation Law Reporter**, page 9283.

Service of process upon Secretary of State as agent for domestic corporation in City Court action, upheld.

Defendant was a New York corporation, with offices in the City of New York, where the cause of action accrued. It was served in a suit in the City Court of the City of New York, County of Kings, by delivery of the summons and complaint in Albany to the Secretary of State, as agent of the defendant corporation, as provided in Section 25, Stock Corporation Law. The New York Supreme Court, Appellate Division, Second Department, unanimously

affirmed an order of the Appellate Term affirming an order of the City Court which denied the defendant's motion to vacate the service of the summons and complaint.

Less v. 11 West 42d St., Inc.,* New York Supreme Court, Appellate Division, Second Department, November 9, 1948.

* The full text of this opinion is printed in the **New York Corporation Law Reporter**, page 9283.



foreign corporations

ALABAMA

Unlicensed foreign corporation, shipping goods into state in interstate commerce, ruled not required to be qualified.

Appellant unlicensed Ohio corporation sued on promissory notes given by appellees in connection with the purchase of flour shipped from Ohio to Alabama for resale to appellees' retail customers in Alabama. The flour was shipped to appellant in carload lots from time to time as the need arose to supply appellees under a contract between the parties, and stored in an Alabama warehouse and released to appellees as paid for, at which time the flour released was segregated and stored in another part of the warehouse as property of appellees. Solicitation of orders for such sales of appellant's flour were solicited by an individual who acted as its agent in Alabama.

The lower court gave judgment for the purchasers, denying recovery on the ground that the Ohio corporation was not qualified in Alabama. The Supreme Court of Alabama reversed this judgment and indicated that suit could be maintained, concluding that the Ohio company was engaged in interstate commerce which was immune from state interference or state regulation. *Loudonville Milling Co. v. Davis et al.*,* 37 So. 2d 659. Lask, Swann & Burns of Gadsen, for appellant. Hood, Inzer, Martin & Suttle of Gadsen, for appellees.

* The full text of this opinion is printed in the *State Tax Reporter*, Alabama, page 301.

DELAWARE

Delaware Supreme Court refuses to restrain Superior Court in entertaining suits involving attachment of shares of Delaware company owned by unlicensed foreign corporation.

In *Blaustein v. Standard Oil Co. of Indiana*, 56 A. 2d 772, (The Corporation Journal, May, 1948, page 146), the Delaware Superior Court denied a motion of defendant foreign corporation, not qualified in Delaware, to vacate judgments entered against it and to dismiss proceedings in an action of foreign attachment for breach of a con-

tract executed out of the state, relating to activities outside of Delaware, where shares of stock owned by defendant in a Delaware company had been attached by a nonresident of Delaware. The defendant, appearing specially, then filed petitions in the Supreme Court of Delaware for writs of prohibition, seeking to have that court prohibit further pro-

ceedings in the suit mentioned and in two related actions, on the ground that the Superior Court, in entertaining the three actions, was acting in excess of its jurisdiction.

The Delaware Supreme Court, after an examination of its prior decisions and of pertinent decisions of the Supreme Court of the United States, concluded that Section 4631, Rev. Code, 1935, governing attachment as related to foreign corporations, authorizes proceedings by foreign plaintiffs based on "foreign" causes of action.

The court ruled that the motions to dismiss the petitions for writs of prohibition should be granted, that the lower court's exercise of jurisdiction over the

petitioner in the three suits did not constitute an unreasonable burden on interstate commerce and that the due process clause of the Fourteenth Amendment to the Federal Constitution had no application to the suit.

Standard Oil Co. v. Superior Court et al., 62 A. 2d 454. Hugh M. Morris, Edwin D. Steel, Jr. and S. Samuel Arsht, of Wilmington, and Ralph S. Harris, John R. McCullough and Frederick W. P. Lorenzen, of New York City, for petitioner. Clarence A. Southerland, Caleb S. Layton and Aaron Finger, of Wilmington, Nathan L. Miller, of New York City, and Karl F. Steinmann, of Baltimore, Md. for respondents.

IOWA

Unlicensed foreign corporation held empowered to maintain suit in federal court on interstate commerce transaction.

Plaintiff foreign corporation, not authorized to do business in Iowa, sued in an Iowa Federal District Court to recover the balance due on a contract under which goods sold by the plaintiff were shipped from California to the defendant purchaser in Iowa. Defendant contended the suit could not be maintained by reason of Sec. 4949, Code of Iowa, 1946, denying an unlicensed foreign corporation doing business in the state the right to maintain an action in the state upon any contract made by it in the state prior to securing a permit to do business.

The United States District Court, S. D. Iowa, Central Division, ruled that where a contract, such as the one under consideration, "provides for a transac-

tion whereby goods were to be assembled and shipped from one state to another, a statute such as the one here prohibiting the institution of suits is unenforceable as being a burden on and an interference with interstate commerce which is exclusively under the jurisdiction of the United States." Recovery was therefore allowed.

Stokely-Van Camp, Inc. v. Hackert,* 80 F. Supp. 837. H. R. Duncan of Des Moines, Jesae E. Marshall of Sioux City and C. P. Dorr of San Francisco, Cal., for plaintiff. Dickinson & Dickinson and Jens Grothe of Des Moines, for defendant.

* The full text of this opinion is printed in the *State Tax Reporter*, Iowa, page 320.

NEW YORK

Denial of qualification upheld where name was similar to that of existing domestic company.

The New York Supreme Court, Special Term, Albany County, has recently upheld the Secretary of State in his refusal to accept for filing the statement and designation of a foreign corporation named Motor Club of America by reason of the similarity of name to that of an existing New York company, Automobile Club of America, Incorporated. The record showed that the respective powers of the corporations were almost identical and that the principal place of business of the existing domestic company and of the proposed principal place of business of the foreign corporation were likewise the same.

Remarking that it could not be doubted from an examination of the foreign corporation's corporate powers and purposes that it would be a competitor of the

existing corporation, whose name was in such close resemblance "as to be calculated to deceive," the court observed that "the test applied by the Courts in private litigation between two corporations in actions to restrain unfair competition, is not necessarily the same test to be applied by the Secretary of State in exercising his judgment under Section 9 of the General Corporation Law."

Motor Club of America v. Curran, 83 N. Y. S. 2d 733. Falk & Orleans of New York City, for petitioner. Nathaniel L. Goldstein, Attorney General (Wendell P. Brown, Solicitor General of Albany, and Irving I. Waxman, Asst. Atty. General, of counsel), for respondent. Brown & Gallagher of Albany, amicus curiae.

Unlicensed foreign interstate carrier, having no office, employees or business activities in state, ruled not subject to service of process on a cause of action arising in another state.

Plaintiff, presumably a resident of New York, brought this action in the New York Supreme Court, New York County, to recover damages for personal injuries incurred in Virginia aboard a railroad train alleged to have been operated by the moving defendant, a foreign corporation not authorized to do business in New York, which was an interstate carrier, having no lines within the state. Service was made upon its president while he was in New York City to attend a board of directors' meeting. Jurisdiction was sought to be sustained upon the grounds that two of this defendant's nine directors resided in New York and

that customarily the meetings of its board of directors were held in New York City. The corporation, however, did not maintain an office there and had no personnel regularly employed there, nor was there any evidence that it solicited traffic in New York.

The court granted a motion to set aside service of process and to dismiss the complaint against this defendant for lack of jurisdiction, being of the opinion that the facts presented were insufficient to sustain a determination that such a foreign corporation engaged as a carrier in interstate commerce was "present" or was "doing business" in New York for purposes of process in

an action which arose without the State and which was not connected with the activities of the corporation within the state.

Garson v. Richmond, Fredericksburg & Potomac R. R.,* 82 N. Y. S. 2d 637. Louis Lovesky and Albert B. Mark of New York City, for plaintiff. Burling-

ham, Veeder, Clark & Hupper of New York City, for defendant Richmond, F. & P. R. R. Commerce Clearing House Court Decisions Requisition No. 397369.

*The full text of this opinion is printed in the *New York Corporation Law Reporter*, page 9266.

Unlicensed foreign manufacturing company selling and shipping goods to local exporting company for foreign sale, ruled not subject to service of process.

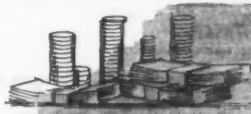
Defendant unlicensed Pennsylvania corporation, which sought to have service of a summons and complaint upon it vacated, was engaged in the manufacture and sale of airplanes in Pennsylvania. It had no employees soliciting business or otherwise working for it in New York. Service upon it was made by serving an employee of a corporation in New York City which was an export company specializing in the foreign sale of varied products made by American manufacturers, which had a contract as exclusive distributor of defendant's product in specified foreign territory. This company purchased airplanes from the defendant by transactions completed in Pennsylvania, which were shipped and delivered to the purchaser in New York and packed for export, being resold by the New York company to its own customers in the foreign territory assigned by defendant on resale terms fixed by the New York company. Defendant did not exercise any supervision or control over the New York company, nor did it contribute to the maintenance of the office or the salaries of that company's employees. Defendant maintained a substantial bank account in New York, borrowed occa-

sionally from the bank in which it was kept and retained a New York law firm as counsel.

The New York Supreme Court, Appellate Division, First Department, ruled that defendant's motion to vacate the service should be granted, concluding that "a non-resident manufacturer such as defendant does not conduct business in the jurisdictional sense in the absence of continuous and systematic solicitation within the State merely because it delivers or sends goods into the State to local buyers on sales transactions completed elsewhere." Additional factors such as the maintenance of a bank deposit, the borrowing of money and consultation of attorneys were regarded as not affecting this conclusion.

Hastings v. Piper Aircraft Corporation,* 84 N. Y. S. 2d 580. Frank J. Wheelan, of counsel (Phillips, Ahearn & Bivin, attorneys), of New York City, for appellant. Harry Lesser, of counsel, (Lesser & Lesser, attorneys), of New York City, for respondent. Commerce Clearing House Court Decisions Requisition No. 402056.

*The full text of this opinion is printed in the *State Tax Reporter*, New York, page 12,160.



taxation

LOUISIANA

Occupation tax, based upon use of certain type of machinery, ruled payable by each of those using it during year.

The State of Louisiana imposes an occupation license tax upon those engaged in business in the state who use, in conducting their business, electrical or mechanical power of more than ten horsepower. The tax provided by statute is fifty cents per annum for each horsepower of capacity of machinery operated. Regulations issued by the collector provide that the tax is not to be pro rated; that it is due at the yearly rate of fifty cents for each horsepower of capacity of all prime movers operated, whether the prime movers are operated for one day or three hundred and sixty-five days during a year, and that the tax is due whether the equipment is owned, rented or borrowed.

The question raised was whether, where certain such equipment was used by more than one such person so engaged in business during a year, an occupation tax of this type would be

due from each. The Supreme Court of Louisiana, in overruling a contention that there was a question of double taxation involved where defendant and another corporation had used the same equipment during different portions of the same year and each had been subjected to the tax measured by such use. The court observed that "it is clear that if ten users exercise the privilege of use in the operation of their business, there must be ten taxes paid by these users."

State v. Triangle Drilling Co., Inc.,* 37 So. 2d 598. Eugene A. Conway and Stephen B. Rodi of Baton Rouge and Irion & Switzer of Shreveport, for plaintiff-appellant. Smitherman, Smitherman & Purcell of Shreveport, for defendant-appellee.

* The full text of this opinion is printed in the **State Tax Reporter**, Texas, ¶ 200-016.

MINNESOTA

Income of unlicensed foreign holding company, from dividends on stock held in Minnesota company, ruled subject to state income tax.

A Delaware company was formed by certain stockholders of a Minnesota corporation, for the primary purpose of acquiring, holding and voting a ma-

jority of the stock of the Minnesota corporation. These stockholders turned in their stock in the Minnesota company to the Delaware corporation in

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exchange for stock of the latter. During the year in question the Delaware company received \$54,000 as dividends upon the stock held in the Minnesota company. The question concerned whether these dividends were taxable as income to the Delaware corporation.

That company performed all of its corporate functions in Minnesota, including the holding of all of its stockholders and board of directors meetings. It owned no property other than the stock. It was not authorized to do business in Minnesota. It contended that, as its functions were that of a simple holding company, these did not amount to the doing of business in Minnesota, and it had not established a commercial domicile there and the income was derived solely from intangibles without a taxable situs in Minnesota.

The Minnesota Board of Tax Appeals, after an examination of the facts, law and pertinent decisions, ruled that the income from the dividends was assignable to Minnesota and taxable there, because of the commercial domicile of the Delaware company in that state and because the stock formed an integral part of and was related to the business of the Delaware company conducted in Minnesota.

Minnesota Tribune Company v. Commissioner of Taxation,* Board of Tax Appeals, September 20, 1948. Hayner N. Larson and John B. Faegre, Jr., Fargre & Benson, of counsel, for appellant. David W. Lewis, Assistant Attorney General, for appellee.

* The full text of this opinion is printed in the *State Tax Reporter*, Minnesota, page 1865.

OHIO

Foreign corporations' accounts receivable, arising from sales of goods manufactured in Ohio, ruled subject to intangible property tax.

Five cases were involved in this decision. Each appellant was a foreign corporation operating at least one manufacturing plant in Ohio. Accounts receivable, the allocation to Ohio of which resulted in the disputed additional assessments of the intangible property tax, arose from the sale of products manufactured at the Ohio plants and shipped to points in Ohio and elsewhere. The Supreme Court of Ohio ruled that such accounts receivable of a foreign corporation, have a business situs in Ohio and are subject to tax.

National Distillers Products Corp. v. Glander; *Wheeling Steel Corp. v. Glander*, and three other cases,* 150 O. S.

229, 80 N. E. 2d 863. Isadore Topper, for appellant National Distillers Products Corporation. Dargusch, Caren, Greek & King, for appellant Wheeling Steel Corporation. Scott, McLeish & Falk, Clarence D. Laylin, Charles M. Price, Clifford C. Pratt and Joseph A. Dubbs, for appellant United States Gypsum Company. Hugh S. Jenkins, Attorney General, and Daronne R. Tate, for appellee. (*Appeal filed in the Supreme Court of the United States, December 6, 1948; jurisdiction noted, January 3, 1949; Docket Nos. 447-448.*)

* The full text of this opinion is printed in the *State Tax Reporter*, Ohio, page 2739.



state legislation

Connecticut—The Governor has recommended that the state sales tax be replaced by a personal income tax and that the corporate income tax rate be increased from 3% to 4%.

General— Proposals for new state taxes include the introduction of measures for sales and use taxes in Georgia and Nebraska, a sales tax for the District of Columbia and a wholesalers' sales tax in Tennessee; income taxes for Nebraska and New Hampshire; gross income or gross receipts taxes for Minnesota, New Hampshire and New Jersey; a franchise tax for Oklahoma and a business privilege tax in Oregon.

The following laws have been enacted:

Alaska— House Bill I-X provides for a territorial income tax, payable by corporations, individuals and others taxable under the Federal income tax law, applicable to income received on and after January 1, 1949. Withholding at the source is required, provision being made for quarterly returns and remittances.

Idaho— H. B. No. 2 provides for refunds of taxes, penalties or sums erroneously or illegally assessed or collected, regardless of whether protest was made at the time of payment. Claims for refund must be made within three years after payment of such taxes, penalties or sums.

Minnesota— H. B. No. 6 authorizes the renewal of the period of corporate existence of certain corporations whose period of duration has expired without the renewal thereof, legalizing certain acts of such companies.



appealed to the supreme court

*The following cases previously digested in The Corporation Journal have been appealed to The Supreme Court of the United States.**

CALIFORNIA. Docket No. 327. *Empresa Siderurgica, S. A. v. County of Merced*, 194 P. 2d 527. (The Corporation Journal, December, 1948, page 234.) Unexported machinery sold to a foreign purchaser—liability to ad valorem property taxes. Appeal filed September 29, 1948. Jurisdiction noted, November 8, 1948.

LOUISIANA. Docket No. 244. *Ott, Commissioner of Public Finance, et al. v. Mississippi Valley Barge Line Company et al.*, 166 F. 2d 509. (The Corporation Journal, December, 1948, page 235.) State property taxes on tow boats and barges—constitutionality as applied to watercraft moving in interstate commerce. Appeal filed, August 25, 1948. Jurisdiction noted, October 11, 1948. Argued, January 5, 1949. Reversed, February 7, 1949.

MICHIGAN. Docket No. 223. *Joy Oil Company, Ltd. v. State Tax Commission*, 32 N. W. 2d 472. (The Corporation Journal, December, 1948, page 235.) Municipal ad valorem taxation on gasoline held in storage awaiting shipment in foreign commerce. Petition for writ of certiorari filed, August 16, 1948. Certiorari granted, October 11, 1948. Argued, January 7, 1949.

MISSISSIPPI. Docket No. 287. *Interstate Oil Pipe Line Company v. Stone*, 35 So. 2d 73, 36 So. 2d 142. (The Corporation Journal, January, 1949, page 253.) Gross sales tax—operation of pipe lines in intrastate and interstate commerce; use tax—purchase of property used in furthering interstate commerce. Appeal filed, September 18, 1948. Jurisdiction noted, October 18, 1948. Argued, January 13, 1949.

Docket No. 465. *Interstate Realty Co. v. Woods*, 168 F. 2d 701. (The Corporation Journal, November, 1948, page 209.) Right of unlicensed foreign corporation, denied use of state courts, to sue in Federal courts. Petition for writ of certiorari filed, December 15, 1948. Certiorari granted, February 7, 1949.

NEBRASKA. Docket No. 507. *City of Omaha v. Frank Bros. Footwear, Inc. et al.*, (*Best & Co., Inc. v. City of Omaha et al.*), 33 N. W. 2d 150. (The Corporation Journal, October, 1948, page 194.) Municipal occupation tax on itinerant vendors—interstate commerce. Petition for writ of certiorari filed, January 13, 1949.

OHIO. Docket Nos. 447-448. *National Distillers Products Corp. v. Glander; Wheeling Steel Corp. v. Glander*, 150 O. S. 229, 80 N. E. 2d 863. (The Corporation Journal, March, 1949, page 292.) State taxation—taxation of intangible personal property of foreign corporations. Appeal filed, December 6, 1948. Jurisdiction noted, January 3, 1949.

* Data compiled from CCH U. S. Supreme Court Bulletin, 1948-1949.



regulations and rulings

ARIZONA

A nonresident distributor of movie films is subject to the Arizona income tax. Because he receives his income from film rentals in the state, he must pay the tax levied on business transactions within the state. (Opinion of the Attorney General, State Tax Reporter, Arizona, ¶ 1509.)

It is permissible to use a copy of Federal Form W-2 in lieu of Information at the source Form 199 if such copy is legible and clear and contains the following information: (1) Name and address of employee, (2) total amount of wages paid, and (3) amount of Federal tax withheld.

CALIFORNIA

Fourteen new regulations have recently been issued in connection with the Motor Carriers Tax by the State Board of Equalization. (State Tax Reporter, California, page 8351.)

IDAHO

The State Income Tax law does not authorize the Tax Commissioner to make a refund of income taxes paid without protest, even though as a matter of law the tax was not owing when paid. (Opinion of the Attorney General to the Deputy Income Tax Commissioner, State Tax Reporter, Idaho, ¶ 1320A.) (Note: House Bill No. 2 has been enacted to provide for refunds of erroneously collected taxes, regardless of whether protested at the time of payment or not.)

KENTUCKY

A foreign corporation which maintains a small stock of tools and parts in the

state for emergencies and demonstration purposes and which has a "manufacturer's agent" in the state who solicits orders subject to the acceptance of the corporation but who makes no collection of accounts, is "doing business" in the state and should qualify for that purpose. (Opinion of the Attorney General, State Tax Reporter, Kentucky, ¶ .012.)

LOUISIANA

There is nothing in Section 8, Article X, of the Louisiana Constitution which would except non-profit organizations from occupational license taxes. Examination of the general license tax law also fails to reveal any exemption in favor of a non-profit co-operative exchange. (Opinion of the Attorney General, State Tax Reporter, Louisiana, ¶ 30-012.)

NEW MEXICO

The Income Tax Division will accept a legible copy of Federal Form W-2 in lieu of Form 161-A, provided, that in addition to the information ordinarily shown on Form W-2 the marital status of the taxpayer be shown, and if the taxpayer is a married woman, the name of the husband be shown. Form 161-B must be used in transmitting the information returns, regardless of whether a copy of Federal Form W-2 or State Form 161-A is used.

NEW YORK

A certificate which authorizes the issuance of a class of stock requiring a class vote for particular acts otherwise allowed without such a vote, and which requires a greater percentage of class

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approval than the Stock Corporation Law requires, is valid, unless it conflicts with the public policy or a mandatory provision of the corporation laws of the state. The validity of these articles in the certificate, conferring "veto powers" upon minority groups of stockholders, greater than otherwise provided in the Stock Corporation Law, is determined under Sections 11 and 51 of that law. Section 9 is regarded as not applicable. (Opinion of the Attorney General to the Secretary of State, New York Corporation Law Reporter, ¶ 10,191.)

No permission will be granted for the use of any substitute form in lieu of Form 105, in the preparation of information returns of compensation paid to employees, for 1949 and subsequent years. (Ruling of State Tax Commission, State Tax Reporter, New York.)

A foreign corporation which has the word "lawyer" in its name, and is not a non-profit membership corporation composed exclusively of lawyers, may not be authorized to do business in New York, and that it is of no consequence that it was formed in a foreign state prior to the amendment of Section 9, General Corporation Law, which is controlling. (Opinion of the Attorney General to the Insurance Department, New York Corporation Law Reporter, ¶ 10,193.)

NORTH CAROLINA

The amount of the expenditures of a corporation which is assignable to North Carolina consists of all wages paid to officers and employees working in the state or working out from headquarters in the state plus whatever part of the wages or salaries of administrative or "overhead" officials or employees that can be allocated to the state. If no definite part of these administrative wages and salaries can be attributed to

North Carolina, it is allocated on the basis of the ratio of sales in North Carolina to the total sales. The use of the wage factor in the allocation formula is discretionary with the Commissioner. (Opinion of the Attorney General, State Tax Reporter, North Carolina, ¶ 15-052.)

Out-of-state retailers of tangible personal property who are engaged in business in the state must collect the use tax and remit it to the Commissioner of Revenue. "Engaged in business in this state" is construed to mean maintenance in the state permanently or temporarily, directly or through subsidiaries, any representative, agent, salesman, canvasser, or solicitor operating in the state in such selling or delivering. (Opinion of the Attorney General to the Commissioner of Revenue, State Tax Reporter, ¶ 64-030.)

TENNESSEE

Insurance companies are not liable for the corporation filing fees imposed by Section 4136 of the Tennessee Code. Section 6, Chapter 3, Laws 1945, has the effect of relieving such companies from liability for such fees in view of the imposition of the gross premium tax on insurance companies. (Opinion of the Attorney General to the Commissioner of Finance and Taxation, State Tax Reporter, ¶ 38-509.)

TEXAS

The Secretary of State may issue a permit to a foreign corporation authorizing it to do business in the State of Texas even though the corporation is without authorized or issued capital stock. It is sufficient for this purpose that the corporation's purposes and capital requirements comply with the laws of Texas. (Opinion of the Attorney General to the Secretary of State, State Tax Reporter, Texas, ¶ 2-201.)



some important matters

for March and April

This Calendar does not purport to be a *complete* calendar of all matters requiring attention by corporations in any given state. It is a condensed calendar of the more important requirements covered by the *State Report and Tax Bulletins* of The Corporation Trust Company. Attorneys interested in being furnished with timely and complete information regarding *all* state requirements in any one or more states, including information regarding forms, practices and rulings, may obtain details from any office of The Corporation Trust Company or C T Corporation System.

Alabama—Annual Franchise Tax Return due between January 1 and March 15.
—Domestic and Foreign Corporations.

Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Franchise Tax due April 1, but may be paid without penalty until April 30.—Domestic and Foreign Corporations.

Arizona—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Statement of Mining Companies due between January 1 and April 1.—Domestic and Foreign Corporations engaged in mining of any kind.

California—Franchise (Income) Tax Return and Payment of one-half of tax due on or before March 15.—Domestic and Foreign Corporations.

Quarterly Retail Sales Tax Return and Payment due on or before April 30.—Domestic and Foreign Corporations.

Colorado—Annual Report due on or before March 15.—Domestic and Foreign Corporations.

Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

Annual License Tax due on or before May 1.—Domestic and Foreign Corporations.

Connecticut—Income Tax Return due on or before April 1.—Domestic and Foreign Corporations.

Quarterly Retail Sales Tax Return and Payment due on or before April 30.—Domestic and Foreign Corporations.

Delaware—Returns of Information at the source due on or before April 30.—Domestic and Foreign Corporations making certain payments of salaries, dividends, interest or other income to citizens or residents of Delaware during 1948.

Annual Franchise Tax due after April 1 and before July 1.—Domestic Corporations.

District of Columbia—Franchise (Income) Tax Return due on or before April 15.—Domestic and Foreign Corporations.

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Georgia—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Intangible Property Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Idaho—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Indiana—Quarterly Gross Income Tax Return and Payment due on or before April 30.—Domestic and Foreign Corporations.

Iowa—Income Tax Return and Returns of Information at the source due on or before March 31.—Domestic and Foreign Corporations.

Return of Taxes withheld at the source due on or before March 31.—Domestic and Foreign Corporations.

Quarterly Retail Sales Tax Return and Payment due on or before April 20.—Domestic and Foreign Corporations.

Kansas—Annual Report and Franchise Tax due on or before March 31.—Domestic and Foreign Corporations.

Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

Kentucky—Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Income Tax and Corporation License Tax Return due on or before April 15.—Domestic and Foreign Corporations.

Maryland—Annual Report (Personal Property Return) due on or before April 15.—Domestic Corporations.

Franchise Tax Report and Franchise Tax due on or before April 15.—Domestic Corporations.

Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

Annual Report (Personal Property Return) and Filing Fee due on or before April 15.—Foreign Corporations.

Massachusetts—Excise Tax Return due on or before April 10.—Domestic and Foreign Corporations.

Michigan—Intangible Personal Property Tax Return due on or before March 31.—Domestic and Foreign Corporations.

Minnesota—Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Annual Report due between January 1 and April 1.—Foreign Corporations.

Mississippi—Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Missouri—Income Tax Return due on or before March 31.—Domestic and Foreign Corporations.

Quarterly Retail Sales Tax Return and Payment due on or before April 15.—Domestic and Foreign Corporations.

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Montana—Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Return of Net Income due on or before March 31.—Domestic and Foreign Corporations.

Annual Statement due within two months from April 1.—Foreign Corporations.

Nebraska—Statement to Tax Commissioner due on or before March 10.—Foreign Corporations.

Nevada—Annual Statement of Business due not later than month of March.—Foreign Corporations.

New Hampshire—Annual Return due on or before April 1.—Domestic and Foreign Corporations.

Franchise Tax due on or before April 1.—Domestic Corporations.

New Jersey—Annual Franchise Tax Return and Tax due on or before April 15.—Domestic and Foreign Corporations.

New Mexico—Franchise Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Returns of Information at the source due on or before April 1.—Domestic and Foreign Corporations.

Income Tax Returns due on or before April 15.—Domestic and Foreign Corporations.

Franchise Tax due on or before May 1.—Domestic and Foreign Corporations.

New York—Annual Franchise (Income) Tax Return (Form 3 CT, Article 9A, Tax Law), due on or before May 15, together with one-half of tax.—Domestic and Foreign Business Corporations, Holding Companies and Investment Trusts.

North Carolina—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Intangible Property Tax Return due on or before March 15.—Domestic and Foreign Corporations.

North Dakota—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Quarterly Retail Sales Tax Return and Payment due on or before April 20.—Domestic and Foreign Corporations.

Annual Report due between January 1 and April 1.—Foreign Corporations.

Ohio—Annual Franchise Tax Report due between January 1 and March 31.—Domestic and Foreign Corporations.

Annual Statement of Proportion of Capital Stock due between January 1 and March 31.—Foreign Corporations.

Oklahoma—Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

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Oregon—Excise (Income) Tax Return due on or before April 15.—Domestic and Foreign Corporations.

Pennsylvania—Capital Stock Tax Report and Tax and Corporate Loans Report and Tax due on or before March 15.—Domestic Corporations.

Franchise Tax Report and Tax and Corporate Loans Tax Report and Tax due on or before March 15.—Foreign Corporations.

Bonus Tax Report due on or before March 15.—Domestic Corporations.

Bonus Report due on or before March 15.—Foreign Corporations.

Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

Rhode Island—Business Corporation Tax Return and Tax due on or before May 1.—Domestic and Foreign Corporations.

Semi-Annual Report to Division of Industrial Inspection due in April and October.—Domestic and Foreign Corporations employing five or more persons in Rhode Island.

South Carolina—Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

South Dakota—Quarterly Retail Sales Tax Return and Payment due on or before April 15.—Domestic and Foreign Corporations.

Texas—Annual Franchise Tax Report due between January 1 and March 15.—Domestic and Foreign Corporations.

Annual Franchise Tax due on or before May 1.—Domestic and Foreign Corporations.

United States—Income Tax Return due on or before March 15.—Domestic Corporations and Foreign Corporations having an office or place of business in the United States.

Utah—Income (Franchise) Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Vermont—Extension of Certificate of Authority due on or before April 1.—Foreign Corporations.

Virginia—Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

West Virginia—Annual License Tax Report due in April.—Foreign Corporations.

Quarterly Business and Occupation (Gross Sales) Tax Return and Payment due on or before April 30.—Domestic and Foreign Corporations.

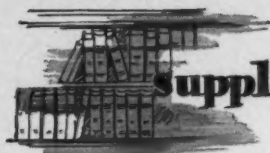
Wisconsin—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Privilege Dividend Return and Return and Tax due on or before March 15.—Domestic and Foreign Corporations.

Annual Report due between January 1 and April 1.—Domestic and Foreign Corporations.







Supplementary literature

In connection with its various activities The Corporation Trust Company publishes the following supplemental pamphlets, any of which will be sent without charge to readers of The Journal. Address The Corporation Trust Company, 120 Broadway, New York 5, N. Y.

Some Contracts Have False Teeth. Interesting case-histories showing advisability of contractor getting lawyer's advice before undertaking construction work outside home state, even for federal government.

What Constitutes Doing Business. (Revised to March 1, 1948.) A 187-page book containing brief digests of decisions selected from those in the various states as indicating what is construed in each state as "doing business."

What Does a Transfer Agent Do? This illustrated pamphlet gives the highspots of a transfer agent's services in 3 minutes reading time, with explanatory text if you want to read further. Of value to small as well as large corporations.

More Sales with Spot Stocks. Advantages found by many manufacturers in carrying spot stocks at strategic shipping points—and preliminary statutory measures necessary to protect corporate status.

Suppose the Corporation's Charter Didn't Fit! Shows how charter provisions which suit well enough at time of organization may be handicaps for the corporation in later life—some measures to avoid them that a lawyer may help his client to take.

When a Corporation Is P. W. O. L. A simple explanation of the reasons for and purposes of the foreign corporation laws of the various states, and illustrations of when and how a corporation makes itself amenable to them. Of interest both to attorneys and to corporation officials.

After the Agent for Service Is Gone. What will happen *then* if suit is brought against the company? Some examples taken from actual court cases, with full texts of the final decisions.

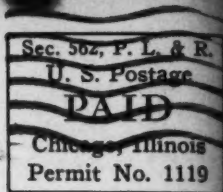
Delaware Corporations. Presents in convenient form a digest of the Delaware corporation law, its advantages for business corporations, the attractive provisions for non par value stock, and a brief summary of the statutory requirements, procedure and costs of incorporation.

We've Always Got Along This Way. A 24-page pamphlet of cases in various states in which corporation officials who had thought they were getting along very well with statutory representation by a business employe suddenly found themselves in trouble.

Judgment by Default. Gives the gist of *Rarden v. Baker* and similar cases, showing how corporations qualified as foreign in any state and utilizing their business employes as statutory representatives are sometimes left defenseless in personal damage and other suits.

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